File 0C/R

DEPARTMENT OF STATE

Memorandum of Conversation
Telephone

SECRET

DATE: July 1, 1954
2nd conversation

SUBJECT: Guatemalan Situation

PARTICIPANTS: American Ambassador Whiting Willauer - Tegucigalpa, Honduras
Assistant Secretary Henry F. Holland

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Amb. Willauer reported that he had the airport covered by somebody else. The man who was supposed to run the errand may be in Guatemala. He went there yesterday. Mr. Holland said that he should go to El Salvador and report in to his associates for whatever good he can do. Mr. Holland said his people have a better way of reaching him than Ambassador Willauer. That man went to Chiquimula.

Mr. Holland said Amb. Willauer should check with Amb. McDermott and also with Amb. Peurifoy. Amb. Willauer asked if Mr. Holland had been directly in touch with Salvador about Castillo Armas' presence. Mr. Holland said he was still there and they were trying to hold him and have Amb. Peurifoy see him to try to bring the two together. Amb. Willauer will still maintain his watch there. Amb. Willauer said there was an interesting development. He said he had in his office out of range the Ambassador of Costa Rica who says they are prepared to say they will recognize Castillo. Mr. Holland thought it was an interesting piece of news. He said it might be desirable for Costa Rica to hold off and not rock the boat so that we can have a little more conference in Salvador. Amb. Willauer said he was going to stay there for a few days. He has direct orders to say it and will say it to somebody else. He said the man is a personal friend of Castillo's and has been told to say this with no ifs, ands and buts.

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